



STATE OF UTAH  
NATURAL RESOURCES  
Oil, Gas & Mining

Scott M. Matheson, Governor  
Temple A. Reynolds, Executive Director  
Dr. G. A. (Jim) Shirazi, Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

October 19, 1983

CERTIFIED RETURN RECEIPT REQUESTED

Mr. Richard Blubaugh  
Atlas Minerals  
P. O. Box 1207  
Moab, Utah 84532-1207

RE: Review of Final Conditions  
Atlas Minerals Contract  
Proposal  
ACT/037/051  
San Juan County, Utah

Dear Mr. Blubaugh:

In response to Atlas Minerals' September 26, 1983 letter which contained information and maps addressing the seven conditions for final approval, the Division has prepared the following review which requests additional information:

1. The general procedures outlined for sealing boreholes shafts and portals are adequate for the majority of conditions. The Division will accept the plans as submitted only with the reservation that there may be a potential for unusual circumstances to occur at some mine sites and that, if warranted, additional measures may be required (e.g. prevention of mine water discharge at the Wood Lease).
2. The information presented for a comparative analysis of reclamation procedure at (the Roosevelt) is incomplete. Two areas are lacking:
  - a. Cover data from the 1983 growth season must be provided to show the success of vegetation establishment.



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- b. Spoil analysis or characterization of the parent material type must be obtained for comparison with other mines (see Tables 3.1 and 3.2, pp 21 & 22 of the Atlas Minerals/MK 1982 Report). This area is part of the focus for revegetation attempts and should thoroughly be documented, as well as demonstrated.
3. The information submitted to the Division in the letter of March 30, 1983 was incorporated into the Mining and Reclamation Plan for the Wood Lease Mine as an amendment. However, information which was required of Mr. Ray Kunkel in the June 10, 1983 Division letter (copied to Atlas) regarding transfer of the property, i.e. alternate source water analysis, has not been supplied.

The information requested, including flow volume, is for a second water source located beneath the "appropriated water-right" source. Discussions with the State Health Department have led the Division to understand that Objectives (Title 40-8-12) of the Utah Mined Land Reclamation Act may not be met if a potential exists for this source to discharge into the surrounding area.

Atlas should further discuss the concept of potential mine water discharge particularly in light of this second source. Flow volumes, analyses of copper and radiometric values should be submitted along with plans for mitigation and/or responsibility commitments. The third condition of the final contract approval will not be satisfied until this apparent lack of understanding is cleared up.

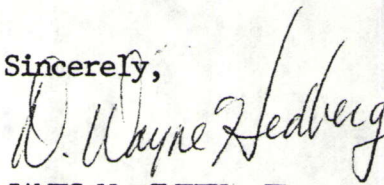
4. The Happy Jack mine plan map which has been submitted is satisfactory to settle this condition.
5. The Cane Creek mine plan topographic map which has been submitted satisfies the fifth condition.
6. The updated Calliham mines' borehole location map is also quite satisfactory.
7. The confirmation of the bond amount to be covered by the Atlas contract was summarized by Pam Grubaugh-Littig and presented to Atlas in the March 28, 1983 Division letter from Thomas Tetting to Richard Blubaugh. It is \$919,285.00 in 1983 dollars and does not include an additional \$25,000 bond for two additional mines held by the Division of State Lands. This condition has been satisfied.



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In summary, four of the seven conditions have been adequately satisfied. The first three still have remaining aspects to be considered and an additional reply is required in order for the Division to issue final approval for all of Atlas' outstanding Mining and Reclamation Plans. Please submit the information within the next 30 days so that we may complete this aspect of the regulatory process. Your cooperation is appreciated. If you have any questions please call me or Tom Tetting.

Sincerely,

*for*   
JAMES W. SMITH, JR.  
COORDINATOR OF MINED  
LAND DEVELOPMENT

JWS/TNT/jvb

cc: Tom Tetting, DOGM  
Steve McNeal, State Health